



PRESS RELEASE

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CONSUMER COUNSEL PUSHES FOR RATE RELIEF FOR UI CUSTOMERS

Customers To Benefit By 3% Cash Reduction

The Office of Consumer Counsel (OCC) supports the draft decision released today by the Department of Public Utility Control (DPUC) in The United Illuminating Company's (UI) rate review. The decision will reduce UI customers' rates by 3 percent due to a reduction in revenue requirements and reduce stranded costs by \$19 million annually. Because UI has continued to earn in excess of its allowed profit level for each twelve-month period ending September 30, 2000 through March 31, 2002, OCC had recommended an annual rate decrease of \$46.3 million.

While OCC advocated setting the allowed rate of return on equity at 9.75%, the draft decision grants a reduction from the current allowed rate of return of 11.5% to 10.3%. "This is a very good decision for UI's customers," said Consumer Counsel Mary J. Healey. "Overall, they will be paying 13% less for their electricity than they were paying in December 1996."

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